

Minneapolis City of Lakes

Office of the City Coordinator

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DRAFT October 25

November 1, 2013

-Via Electronic Filing-

Dr. Burl W. Haar Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, Minnesota 55101

Re: SUPPORT FOR MOTION TO UPDATE EXTERNALITY VALUES FOR USE IN RESOURCE DECISIONS DOCKET NOS. E-999/CI-93-583 AND E-999/CI-00-1636

Dear Dr. Haar:

The Minneapolis City Council at their November 1, 2013 meeting authorized staff to file these comments on behalf of the City supporting the motion to update externality values for use in resource decisions.

The City of Minneapolis recently adopted a Climate Action Plan (Plan) to meet our climate protection goals. The Plan includes very aggressive goals for energy efficiency, renewable energy deployment, and other strategies to clean our energy supply. Engaging our energy utilities and state government are key strategies identified in the Plan. Xcel Energy recently committed in writing to helping the City achieve these goals which includes reducing citywide greenhouse gas emissions 15% by 2015 and 30% by 2025. These goals are consistent with those adopted by the State Legislature in the Next Generation Energy Act of 2007.

Resource planning based on sound science and economics is critical to the City's ability to meet our Climate Action Plan goals.

Electricity consumption in the city accounts for over 42 percent of greenhouse gases attributable to Minneapolis. Greenhouse gas emissions within the City of Minneapolis geographic area have declined by over 12 percent between 2006 and 2010. Nearly 40 percent of this reduction is due to increasingly cleaner electricity provided by Xcel, from increased use of natural gas and wind power. However, when Xcel Energy's greenhouse gas intensity increased by 4 percent in 2011, greenhouse gas emissions in Minneapolis rose by 5 percent that year, despite the fact that less electricity was consumed in the city. Thus, improvements made locally in the energy efficiency of our city's buildings can easily be overwhelmed by even small changes in the greenhouse gas intensity of electricity delivered by Xcel.

As noted in the petition, "the Commission's 1996 environmental cost values are no longer sufficient to meet the purposes of the statute. In the nearly two decades that have passed since the Commission first embarked on establishing externalities values, the science and technical understanding of fine particle pollution dispersion, the human health consequences of fine particle inhalation, environmental and health impacts from ozone created by NOx emissions and the probable environmental and human health impacts of climate change have grown immensely." These are environmental costs that the PUC must consider to full recognize the harms of the most polluting sources of electricity.



Updating these externality values will help the city and state respond to global climate change, and make significant improvements in our air quality, protecting public health by reducing asthma and other respiratory ailments.

The City of Minneapolis urges the Commission to approve the petition and begin work on updating these environmental costs and complete this work within the 12-month time requested by the petitioners.

Please contact Gayle Prest, City of Minneapolis Sustainability Director at gayle.prest@mineapolismn.gov or 612 673 2931 if you have any questions regarding this filing.

Sincerely,

Paul Aasen, City Coordinator